



COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION

500 WEST TEMPLE STREET

LOS ANGELES, CALIFORNIA 90012-2713

LLOYD W. PELLMAN  
County Counsel

November 6, 2002

TDD

(213) 633-0901

TELEPHONE

(213) 974-1904

TELECOPIER

(213) 687-7300

TO: SUPERVISOR ZEV YAROSLAVSKY, Chairman  
SUPERVISOR GLORIA MOLINA  
SUPERVISOR YVONNE BRATHWAITE BURKE  
SUPERVISOR DON KNABE  
SUPERVISOR MICHAEL D. ANTONOVICH

FROM: LLOYD W. PELLMAN  
County Counsel

RE: **Adelphia Communications Corporation's Bankruptcy Proceeding**

This is to advise your Board of developments in the Adelphia Communications Corporation's ("Adelphia") Chapter 11 bankruptcy, which was filed on June 25, 2002, in the U.S. Bankruptcy Court, Southern District of New York. Adelphia is the parent corporation of the holders of thirteen cable television franchises in the unincorporated areas of the County. For your information, we have enclosed a June 26, 2002, memorandum to your Board from the Director of the Department of Consumer Affairs that lists all of the Adelphia cable television franchises in the unincorporated areas of the County.

We have retained bankruptcy counsel, Frank Zerunyan of Sulmeyer, Kupetz, Baumann & Rothman, to represent the County in the Adelphia bankruptcy. Mr. Zerunyan urged the County to join with other interested governmental entities, including the County of San Bernardino and the Cities of Agoura Hills, Beverly Hills, Brea, Buena Park, Hermosa Beach, Monrovia, Oxnard, Palmdale, Rancho Cucamonga, Santa Ana, Seal Beach, Temecula, Upland, West Hollywood, and Westlake Village, to request that the bankruptcy court appoint an official creditors committee comprised of local franchising authorities. More than ninety other jurisdictions in California, Florida, New York, Colorado, North Carolina, New Hampshire, Massachusetts, Maryland, Kentucky, Pennsylvania, and Virginia are also requesting that the court appoint an official creditors committee comprised of local franchising authorities.

The benefit of participating in an official creditors committee is that the committee has direct access to information from the debtor, Adelphia, and is able to more fully participate in the bankruptcy process. In addition, all of the costs and expenses of the official creditors committee are paid by the debtor.

The hearing on the request for the appointment of an official creditors committee is currently scheduled for November 7, 2002. We will continue to keep your Board advised of any further developments.

If you have any questions concerning this matter, please contact either me, John Krattli at 974-1838, or Lillian Salinger at 974-7973.

LWP:LDS:jn

Enclosure

c: David E. Janssen  
Chief Administrative Officer

Violet Varona-Lukens, Executive Officer  
Board of Supervisors

Pastor Herrera, Jr., Director  
Department of Consumer Affairs



---

## COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AFFAIRS

---

B-96 KENNETH HAHN HALL OF ADMINISTRATION  
500 W. TEMPLE STREET / LOS ANGELES, CALIFORNIA 90012-2706 / (213) 974-1452  
<http://consumer-affairs.co.la.ca.us>

MEMBERS OF THE BOARD  
GLORIA MOLINA  
YVONNE BRATHWAITE BURKE  
ZEV YAROSLAVSKY  
DON KNABE  
MICHAEL D. ANTONOVICH

PASTOR HERRERA, JR.  
DIRECTOR

June 26, 2002

To: SUPERVISOR ZEV YAROSLAVSKY, Chairman  
SUPERVISOR GLORIA MOLINA  
SUPERVISOR YVONNE BRATHWAITE BURKE  
SUPERVISOR DON KNABE  
SUPERVISOR MICHAEL D. ANTONOVICH

From: Pastor Herrera, Jr.  
Director

A handwritten signature in dark ink, appearing to read "Pastor", is written over the printed name "Pastor Herrera, Jr.".

Subject: **ADELPHIA COMMUNICATIONS CORP. BANKRUPTCY FILING**

Adelphia Communications Corp. (Adelphia) is the parent corporation which possesses 13 cable television franchises in the unincorporated areas of Los Angeles County (franchise areas attached.) In our memo dated June 21, 2002, we alerted your Board to this corporation's imminent filing of Chapter 11 Bankruptcy.

Yesterday, Adelphia filed for Chapter 11 Bankruptcy in Federal bankruptcy court in the State of New York. Under this type of bankruptcy filing Adelphia will work with its creditors, the bankruptcy court and other interested parties to restructure and reorganize its enterprise. (See Attached Adelphia Press Release.)

We are working with County Counsel on this matter, will continue to monitor this situation closely and will keep you informed of further developments.

Should you have any questions, please have your staff contact me at 213-974-9750 or Fern Taylor, Acting Chief, Telecommunications Franchising of my staff at 213-974-2711.

PH:FT:el

Attachments: Adelphia Cable Television Franchises  
Adelphia Press Release

cc: Chief Deputy, Each District  
Angie Castro, Deputy, First District  
Ta'Shara N. Murray, Deputy, Second District  
Adinah Solomon, Deputy, Third District  
Dick Simmons, Deputy, Fourth District  
Angela Mazzie, Deputy, Fifth District  
David E. Janssen, Chief Administrative Officer  
Lloyd W. Pellman, County Counsel  
Lillian Salinger, Deputy County Counsel  
J. Tyler McCauley, Auditor-Controller

## Attachment

### Adelphia franchises in the Unincorporated Areas of Los Angeles County

| AREA              | SUPERVISORIAL DISTRICT | NUMBER OF SUBSCRIBERS |
|-------------------|------------------------|-----------------------|
| Hacienda Heights* | 1,4,5                  | 16,465                |
| La Habra Heights* | 4                      | 1,287                 |
| Marina Del Rey*   | 4                      | 1,888                 |
| South Whittier*   | 1,4                    | 6,818                 |
| Walnut Park       | 1                      | 766                   |
| Green Valley      | 5                      | 1,110                 |
| Littlerock        | 5                      | 5,229                 |
| Acton             | 5                      | 962                   |
| Glendora*         | 5                      | 268                   |
| Agoura*           | 3                      | 58                    |
| Palmdale          | 5                      | 5,760                 |
| East Los Angeles  | 1                      | 8,773                 |
| Rowland Heights*  | 1,4                    | 7,588                 |

\*Century-TCI Partnerships

# PRESS RELEASE

**CONTACT: Eric Andrus**  
**1-877-496-6704**

## **ADELPHIA AND SUBSIDIARIES COMMENCE CHAPTER 11 CASES TO FACILITATE FINANCIAL RESTRUCTURING**

**Lenders Agree to Provide \$1.5 Billion in DIP Financing**

**Company Will Continue its Operations, Providing Uninterrupted Cable Service to  
Customers and Continuing Digital Upgrade Efforts**

COUDERSPORT, Pa., June 25, 2002 – Adelphia Communications Corporation (OTC: ADELA) announced today that the Company and more than 200 of its subsidiaries have filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the Southern District of New York.

### **Operations to Continue with No Interruption in Service**

Adelphia will continue to conduct its business, supplying cable entertainment and other services to its customers in more than 3,500 communities across the nation. The Company expects that all post-petition obligations to local franchise authorities, vendors, employees and others will be satisfied in the normal course of business.

Adelphia Chairman and interim Chief Executive Officer Erland E. Kailbourne said, "This action was taken to stabilize Adelphia's financial foundation and to continue quality service to our customers. After many weeks of hard work and careful consideration of all the strategic alternatives available, we determined that the restructuring of our debt through the Chapter 11 process is the optimal solution for helping Adelphia thoroughly resolve all the issues facing the Company. Entering into these proceedings will enable us to fully evaluate our enterprise without the immediate pressure to sell valuable assets that may well benefit the Company in the future. Moreover, this process will enable us to emerge with a new capital structure, and position us to maintain the fundamental strengths of this Company."

### **Lenders to Provide \$1.5 Billion in DIP Financing; Cable Upgrades to Continue**

The Company also announced that it has entered into a \$1.5 billion debtor in possession (DIP) facility. The Company's ability to obtain borrowings under such facility is subject to satisfaction of customary conditions in favor of the lenders and receipt of court approval and certain third party consents. A hearing to approve a portion of the facility has been scheduled for Friday, June 28, 2002. The DIP facility is being led by JPMorgan Chase Bank and Citigroup USA, Inc.

Upon approval, this facility will be available to fund Adelphia's continued ability to operate and provide quality cable entertainment throughout this process. In addition, this financing will provide the capital necessary to continue the Company's build out and upgrade efforts in order to offer digital cable, high-speed data and other enhanced services to its customers.

#### **Employees to Continue to Receive Wages and Benefits**

Mr. Kailbourne emphasized that employees will continue to be paid their wages and health and welfare benefits, subject to court approval. The Company's businesses will continue operations, and local franchise authorities, programming suppliers and other vendors will continue to be paid in the normal course of business.

He added that Adelphia intends to restructure its balance sheet in order to reduce the burden of the Company's debts, thereby improving Adelphia's leverage and liquidity position.

#### **Background on Chapter 11**

Chapter 11 of the U.S. Bankruptcy Code allows a company to continue operating its business and managing its assets in the ordinary course of business. Congress enacted Chapter 11 to encourage and enable a debtor business to continue to operate as a going concern, to preserve jobs and to maximize the recovery of all its stakeholders.

The Company is represented in its Chapter 11 cases by Willkie Farr & Gallagher.

#### **About Adelphia**

Adelphia Communications Corporation, with headquarters in Coudersport, Pennsylvania, is the sixth-largest cable television company in the country.

*Certain statements in this press release are forward-looking statements that are subject to material risks and uncertainties. Investors are cautioned that any such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties, and that actual results or developments may differ materially from those expressed or implied in the forward-looking statements as a result of various factors which are discussed in the Company's filings with the Securities and Exchange Commission. These risks and uncertainties include, but are not limited to, uncertainties relating to general economic and business conditions, acquisitions and divestitures, the availability and cost of capital, government and regulatory policies, the pricing and availability of equipment, materials, inventories and programming, product acceptance and customer spending patterns, the Company's ability to execute on its business plans and to construct, expand and upgrade its networks, risks associated with reliance on the performance and financial condition of vendors and customers, technological developments, changes in the competitive environment in which the Company operates, and matters relating to or in connection with the recent bankruptcy filings and proceedings of Adelphia Business Solutions, Inc. These risks and uncertainties also include matters arising out of the Company's delay in filing with the Securities and*

*Exchange Commission its Form 10-K for the year ended December 31, 2001 and its Form 10-Q for the quarter ended March 31, 2002, liquidity short falls arising out of defaults under loan agreements and indentures, the announced delisting of the Company's common stock by Nasdaq, pending derivative and class action lawsuits, and matters arising out of the pending internal investigation by the Special Committee of the Board of Directors of the Company. Additional information regarding risks, uncertainties and other factors that may affect the business and financial results of Adelpia can be found in the Company's filings with the Securities and Exchange Commission, including its recently filed Current Reports on Form 8-K, the most recently filed Quarterly Report on Form 10-Q, the Form 10-K for the year ended December 31, 2000, and the most recent prospectus supplement filed under Registration Statement No. 333-64224, under the section entitled "Risk Factors" contained therein. The Company does not undertake to update any forward-looking statements in this press release or with respect to matters described herein.*

#####